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FM AMEMBASSY MANAGUA  
TO RUEHC/SECSTATE WASHDC 4190  
INFO RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE

UNCLAS MANAGUA 000545

STATE FOR WHA/CEN, EB/IFD/OIA, AND L/CID  
STATE ALSO FOR WHA/EPSC  
STATE PASS TO USTR  
TREASURY FOR INL AND OWH

SIPDIS  
SENSITIVE

E.O. 12958: N/A  
TAGS: [EINV](#) [ECON](#) [USTR](#) [KIDE](#) [NU](#)  
SUBJECT: NICARAGUA: GON SEEKS MORE USG COOPERATION ON ADVANCING U.S.  
CITIZEN PROPERTY CLAIMS

REFS: A) MANAGUA 537, B) 02 MANAGUA 877, C) MANAGUA 160, D) MANAGUA  
002, E) MANAGUA 465

SUMMARY  
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1. (SBU) During the May 28 Property Working Group meeting, Ruth Zapata, Head of the Office of Assessment and Indemnification, requested Embassy assistance in encouraging U.S. citizen claimants to settle 35 claims with final offers before the end of this waiver year. Jeanette Garcia, President of the National Confiscations Review Commission, asked Econoff to contact 52 claimants whose claims were dismissed for administrative reasons to submit documents to advance their cases. Garcia also stated that the GON would compensate a U.S. citizen whose property had been reportedly confiscated. The GON appears eager to resolve more claims this year than last to improve its prospects for a waiver. End Summary.

GON SEEKS EMBASSY ASSISTANCE TO ADVANCE CLAIMS  
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2. (SBU) On May 28, Econoff met with Ruth Zapata, Head of the Office of Assessment and Indemnification (OCI), Jeanette Garcia, President of the National Confiscations Review Commission (CNRC), Magally Bravo, Executive Coordinator for property issues for the Attorney General's Office, and Rebeca Zuniga, Coordinator of the Liaison Office for U.S. Citizen Claims, for the monthly Property Working Group meeting. GON officials and the Property Office Staff reviewed 80 U.S. claims on a case-by-case basis to discuss next steps for favorable resolution. Zapata told us that the GON is working diligently on advancing U.S. citizen claims and has adopted a more flexible approach in resolving cases. She acknowledged that Attorney General Hernan Estrada is under pressure to resolve as many claims as possible before the end of the waiver year (Ref A). She asked Econoff to encourage U.S. claimants to settle their claims with pending offers. She asserted that 35 cases have final settlement offers, including the 28 claims of U.S. citizen Juan Barreto, whose family's property is under Nicaraguan Army control (Ref B).

3. (SBU) Zuniga added that the GON is advancing claims that had been previously dismissed under Decrees 3 (1979) and 38 (1979), which authorized the confiscation of property belonging to Somoza family members and "their allies." She noted that the GON has made a final settlement offer for the four claims belonging to U.S. citizen Domingo Calero, whose property had been confiscated by the GON under Decree 38 (Ref C). Econoff pressed Zuniga to continue the review of Decree 3 and 38 dismissals, noting that there remain over 130 claims that await due process.

FLEXIBILITY ON ADMINISTRATIVE DISMISSALS  
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14. (SBU) Garcia asked Econoff to contact 52 U.S. claimants whose claims were dismissed for administrative reasons, (e.g., a lack of proof of ownership and/or confiscation of the property in question) to provide the necessary documents so that the CNRC can advance their cases. Econoff responded that the Property Office would contact claimants but urged the GON to exercise patience and flexibility. He reminded Garcia that some claimants were physically forced from their property without possessions, while others lost documents located at regional cadastral registry offices that had been destroyed by fire, such as in Matagalpa, or during the civil war, such as in Chinandega and Masaya (Red D). Garcia acknowledged this point, noting that not all of the GON's property claims files have been properly managed, and some documents could have been misfiled or lost.

#### PROPERTY CONFISCATION AGAINST A U.S. CITIZEN

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15. (SBU) Econoff raised the reported property confiscation against U.S. citizen Leonidas Guadamuz (Ref E). Garcia said the CNRC would be willing to resolve his claim through indemnification bonds and a land swap, depending on discussions with Mr. Guadamuz. On May 30, the Property Office contacted Mr. Guadamuz to discuss his claim and he responded that he plans to travel to Nicaragua on June 7 to meet with GON officials.

#### COMMENT

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16. (SBU) The GON appears eager to resolve more claims this year than last to improve its prospects for a waiver. That should not be too difficult to do, since last year the GON resolved just 42 claims, considerably below the annual average. The Ambassador's May 22 demarche to Foreign Minister Samuel Santos and Attorney General Estrada on this year's Section 527 waiver process has helped to increase the pressure on the GON. GON working-level officials are carefully tracking the number of claims that we consider resolved cases, and addressing quickly contentious issues that could negatively impact Nicaragua's chances for a waiver.

CALLAHAN